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CHOSEN IN TIME FOR MORO TO PRESENT HIS GOVERNMENT TO SEGNI ON 20 JULY.

2. THE CHRISTIAN DEMOCRATIC PARTY (DC) DIRECTORATE, IN A MEETING ON

18 JULY, VOTED APPROVAL OF THE NEGOTIATED COALITION AGREEMENT, WITH FANFANIANI

MEMBERS ABSTAINING. MARIO SCELBA'S CENTRISMO POPOLARE GROUP, WHICH ALSO

OPPOSES THE AGREEMENT, IS NOT REPRESENTED IN THE DIRECTORATE. DC VICE

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POLITICAL SECRETARY ARNALDO FORLANI, OF THE FANFANI GROUP, SPEAKING FOR THOSE



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WHO ABSTAINED, MADE REFERENCE TO THE DC DIRECTORATE'S POLICY STATEMENT ISSUED ON 29 JUNE AND STATED THAT THE AGREEMENT PRESENTLY REACHED CORRESPONDED ONLY IN PART AND IN AN UNSATISFACTORY MANNER TO THE 29 JUNE STATEMENT. FORLANI CRITICIZED THE AGREEMENT AS TOO GENERAL, AS NOT COMING TO GRIPS WITH THE SITUATION AND AS PUTTING OFF THE REAL CLARIFICATION OF ISSUES. AS A FIRST CONSEQUENCE OF THIS POSITION, IT IS RUMORED THAT TWO FANFANIANI MEMBERS OF THE FIRST MORO CABINET -- GIACINTO BOSCO, MINISTER OF LABOR, AND GIORGIO BO, MINISTER OF STATE HOLDINGS -- HAVE INFORMED MORO THAT THEY WILL NOT SERVE!

- 3. THE ITALIAN SOCIALIST PARTY (PSI) DIRECTORATE IN A MEETING OF 18
 JULY, APPROVED THE AGREEMENT. VOTING IN FAVOR WERE DE MARTINO, BRODOLINI,
 VENTURINI, TOLLOY, LEZZI, VITTORELLI, MATTEOTTI, PAOLICCHI, COLOMBO,
 BERTOLDI AND MANCINI. VOTING AGAINST WERE LOMBARDI, SANTI, CARETTONI,
 BALZAMO, VERONESI AND VERZELLI. THE FIRST CONSEQUENCES OF THIS DEVELOPMENT
 WERE NOT LONG IN MANIFESTING THEMSELVES. LOMBARDI RESIGNED AS EDITOR OF
 AVANTI AND BUDGET MINISTER ANTONIO GIOLITTI AND UNDERSECRETARIES BANFI,
 FOREIGN AFFAIRS; ANDERLINI, TREASURY; AND GATTO, LABOR, HAVE ANNOUNCED THAT
 THEY WILL NOT PARTICIPATE IN THE NEW CABINET.
- 4. MOST OPINIONS OF THE NEW GOVERNMENT REMAIN STILL CAUTIOUS IN TONE
 AND LITTLE DESIRE IS SHOWN TO GO ON RECORD AS PREDICTING A LONG LIFE FOR IT.
 IT WILL BE SEVERAL DAYS, AND AFTER THE CURRENT PRESS STRIKE ENDS, BEFORE
 PROPONENTS OF THE NEW GOVERNMENT CAN GET THEIR WIND AND SET FORTH THEIR

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CONSIDERED VIEWS ON THE MERITS OF THE AGREEMENT, AND THUS GIVE OBSERVERS A CHANCE TO ESTIMATE THEIR SINCERITY AND DESIRE TO MAKE IT WORK. OF THE AGREEMENT IS AS FORLANI CHARGED, GENERAL. EACH ONE CAN READ INTO IT WHAT HE LIKES. SUBJECT TO FURTHER ANALYSIS, THE FIRST IMPRESSION IS THAT PERHAPS THE PSI WILL FIND IT HARDER TO LIVE WITH THAN WILL THE DC. WHILE ALL THE FAVORITE PSI THEMES ARE THERE, THEY ARE NOT CONCLUSIVELY STATED. TERMINAL DATES, BINDING PHRASES EITHER ARE NOT GIVEN OR ARE HEDGED. SUPER-FICIALLY, ONE MIGHT CLAIM THAT THE TAKING OF OPPOSING POSITIONS BY THE FANFANIANI AND THE LOMBARDIANI REPRESENTS A POSITIVE DEVELOPMENT FOR THE CENTER-LEFT IN THAT IT DOES OFFER SOME CLARIFICATION BY REVEALING, FOR ALL TO SEE, WHO WITHIN EACH GROUP CANNOT BE COUNTED ON TO ADVANCE THE POLICY AND GIVE LOYAL SUPPORT TO MORO. LOMBARDI'S DEPARTURE FROM AVANTI AS A RESULT OF THE CRISIS IS ALSO MOST POSITIVE. ON THE NEGATIVE SIDE, HOWEVER, IT NOW APPEARS MORE CLEAR THAN EVER HOW MENACED THE CENTER-LEFT IS BY FACTIONAL FIGHTING WITHIN ITS TWO CHIEF MEMBER PARTIES. THE NEXT NOTABLE EVENT ON THE PSI SIDE WILL BE THE COMPORTMENT OF THE LOMBARDIANI DURING THE VOTE OF CONFIDENCE. THE FANFANIANI WILL CERTAINLY KEEP IN LINE ON THAT ONE, BUT CAN BE EXPECTED TO MANEUVER DURING THE NEXT FEW MONTHS TO DAMAGE MORO AT THE DC CONGRESS, WHICH NOW SEEMS MORE AND MORE LIKELY TO BE HELD THE LAST WEEK IN SEPTEMBER.

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